

**SUPPLEMENTAL AGENDA
FREMONT CITY COUNCIL REGULAR MEETING
MARCH 1, 2011
3300 CAPITOL AVENUE
CITY COUNCIL CHAMBERS
7:00 P.M.**

7. OTHER BUSINESS

**7.3 CONSIDERATION OF AMENDMENT TO THE PUBLIC IMPROVEMENTS
GRANT AGREEMENT BETWEEN THE CITY AND THE REDEVELOPMENT
AGENCY**

**Consideration of Amendment to the Public Improvements Grant Agreement
between the City and the Redevelopment Agency for Funding of Various
Public Improvements Projects**

Contact Person:

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A companion item is on the Redevelopment Agency agenda for this evening.

Executive Summary: On June 1, 2002, the City of Fremont and its Redevelopment Agency entered into a Public Improvements Grant Agreement for funding various public improvements projects. The agreement allows the Agency to grant funding to the City for public improvements projects, which develop new, enhanced or improved infrastructure, and therefore result in furthering the goals of the Agency's Redevelopment Plan and Implementation Plan. The Public Improvements Grant Agreement is amended from time to time, typically after budget adoption, to reflect additional Agency grant funding allocated for the public improvements projects undertaken by the City. Staff recommends Agency Board and City Council approval of the proposed Amendment No. 11 to the Public Improvements Grant Agreement to provide flexibility in the funding mechanism between the Agency and City to assure adequate resource allocation for the designated public infrastructure projects.

BACKGROUND: The Public Improvements Grant Agreement was entered into by the City and the Redevelopment Agency on June 1, 2002, for the purposes of funding a variety of public improvements projects, which would result in new, enhanced or increased public infrastructure that will improve the physical appearance of the redevelopment project areas, improve transportation access in the districts, and facilitate enhanced parking and pedestrian resources. All of these efforts also serve multiple goals and objectives of the Agency's Redevelopment Plan and the Implementation Plan.

Therefore, due to the City's funding limitations, the Agency agreed to provide grant funding for the public improvements projects that result in furthering the goals of the redevelopment program in Fremont.

Since 2002, a number of major public improvements projects undertaken by the City received Agency grant funding, including the I-880 Mission Interchange, Washington Grade Separation, Bay Street Streetscapes, Niles Town Plaza, Irvington BART Constructability, Grimmer Boulevard Gateway, etc. In January 2011, the Agency Board and City Council approved increased Agency grant funding for the following projects:

- Irvington BART Station - increase Agency funding to \$107,600,000;
- Greenbelt Gateway along Grimmer Boulevard (Phase II) - increase Agency funding to \$1,400,000;
- H Street Reconstruction - increase Agency funding to \$2,320,000;
- Fremont Boulevard Streetscape and Traffic Improvements - increase Agency funding to \$5,050,000;
- Niles Alleys Rehabilitation - increase Agency funding to \$2,400,000;
- Quiet Zones Improvements - increase Agency funding to \$3,600,000.

This additional funding made available by the Agency for the projects outlined above allows the City to continue development, enhancement and improvement of the City's public infrastructure, which furthers the goals of the Redevelopment Plan for the Merged Project Area and the Agency's 5-year Implementation Plan.

Under the Public Improvements Grant Agreement, there already exists a funding mechanism for the Agency to pay the City existing budgeted funds, any future bond proceeds, and any future tax increment that is intended and needed for funding the City-owned public improvements that have been planned and scheduled for redevelopment funding in the adopted Redevelopment Plan and Five-Year Implementation Plan for the Fremont Merged Project Area. The current mechanism provides for a reimbursement-type payment to the City for project expenditures. Staff believes it is in the Agency's and City's best interest to amend the funding mechanism to allow greater flexibility in the transfer of funds from the Agency to the City for projects currently underway as well as the projects outlined above, to enable the immediate transfer of \$14,553,407 in unencumbered, unappropriated funds to the City, to be used consistent with the terms of the Agreement and to provide for transferring bond proceeds in the event such are issued. Therefore, staff requests Agency Board and City Council approval of proposed Amendment No. 11 to the Public Improvements Grant Agreement between the City and the Agency.

REDEVELOPMENT LAW FINDINGS: In connection with initial approval and prior amendment of the Agreement, all necessary findings pursuant to Health and Safety Code Section 33445 have been made by the Agency and the City Council of the City to enable the Agency to fund the Public Improvement Projects listed in Exhibit A Improvement Plan in accordance with the Agreement. The amendment of the Agreement set forth in Amendment No. 11 does not increase the overall amount of agency funding payable by the Agency or modify the public improvement projects to be undertaken by the City

using the agency funds. Therefore, no additional findings are required under the California Redevelopment Law in connection with approval of Amendment no. 11.

FISCAL IMPACT: Agency grant funding necessary for the completion of the approved public improvements projects outlined above, as well as projects currently underway, will be transferred into the Public Works Contracts established for these projects.

ENVIRONMENTAL REVIEW: Pursuant to State CEQA Guidelines Section 15378(b)(4), approval of the Agreement as amended by this Amendment does not constitute a project subject to the California Environmental Quality Act (“CEQA”), because the Agreement as amended by this Amendment consists of the creation of a governmental funding mechanism for various public improvements, but does not commit funds to any specific public improvement, in that environmental review required by CEQA shall be completed prior to the commencement of any Public Improvement Project listed in Exhibit A.

ENCLOSURES:

- [Draft Resolution authorizing Amendment No. 11](#)
- [Amendment No. 11 to the Public Improvements Grant Agreement between the City and the Redevelopment Agency for funding of various Public Improvements Projects](#)

RECOMMENDATION: Adopt a resolution authorizing the City Manager/Redevelopment Agency Executive Director, or his designee, to execute Amendment No.11 to the Public Improvements Grant Agreement between the City and the Redevelopment Agency for funding of various Public Improvements Projects undertaken by the City.